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April 28, 2016

**VIA E-FILING**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street SW  
Room TW-A325  
Washington, DC 20554

Re: WC Docket No. 10-90 - Gervais Telephone Company, Monitor Cooperative Telephone Company, Mt. Angel Telephone Company and St. Paul Cooperative Telephone Association

Dear Ms. Dortch:

I represent Gervais Telephone Company, an Oregon cooperative company ("Gervais"), Monitor Cooperative Telephone Company, an Oregon cooperative company ("Monitor"), Mt. Angel Telephone Company, an Oregon corporation ("Mt. Angel") and St. Paul Cooperative Telephone Association, an Oregon cooperative company ("St. Paul"). Collectively, Gervais, Monitor, Mt. Angel and St. Paul are referred to in this letter as the "ILECs." The study area codes involved for each company are as follows: 1) Gervais - SAC 532373; 2) Monitor (SAC 532384); 3) Mt. Angel - SAC 532386; and, 4) St. Paul - SAC 532396. The ILECs provide voice and broadband services in Oregon.

This letter will constitute a challenge under the challenge process related to the presence of unsubsidized competitors for purposes of the Alternative Connect America Cost Model (A-CAM) as described in DA 16-378 issued under WC Docket No. 10-90. The challenge is to the qualifications of McMinnville Access Company (or "McMinnville Access"), also known as Online Northwest as a qualified unsubsidized competitor.<sup>1</sup> This challenge affects all census

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<sup>1</sup> In some census blocks a second competitor is shown. This challenge does not address the second competitor, which is Wave Broadband.

blocks served by each of the ILECs.<sup>2</sup>

As shown on its web site, McMinnville Access provides broadband services via DSL and fixed wireless technologies. The technology in question for the ILECs' census blocks is McMinnville Access' fixed wireless service.

The first issue is whether the fixed wireless service offered by McMinnville Access meets the broadband speed metrics required for McMinnville Access to be considered to be offering service as a qualified unsubsidized competitor in those areas.

The residential fixed wireless service offered by McMinnville Access does not meet the speed standard for it to be considered as a qualified unsubsidized competitor. Exhibit 1 is a screen shot of McMinnville Access's web page which shows that the download speed for its fastest "Extreme" residential service offering is provided in a range of 5-11 Mbps.<sup>3</sup> The fact that the download speed ranges that include speeds which are lower than the 10/1 actual speed standard is evidence that the service does not meet the 10/1 actual speed standard.

The next question to be addressed is geographic coverage. With respect to geographic coverage, McMinnville Access readily admits that its voice and broadband service offerings do not overlap Gervais, Monitor, Mt. Angel and St. Paul. An Affidavit of Ms. Kathy Tate, the CEO of McMinnville Access is attached as Exhibit 2.<sup>4</sup> In that Affidavit, Ms. Tate, on behalf of McMinnville Access, explains that it is a fixed wireless provider that serves a niche of providing Internet in areas that lack high speed options. This statement indicates that McMinnville Access does not intend to offer broadband service to customers that have such service available from other providers. It also indicates that it will not be offering voice services in the ILECs' census blocks.

Exhibit 3 is an open letter from McMinnville Access. In that letter, McMinnville Access admits that it does not have any customers in the study areas of Gervais Telephone Company, Monitor Cooperative Telephone Company, Mt. Angel Telephone Company and St. Paul Cooperative Telephone Company.

The third consideration is the price of the service. Even if McMinnville Access could provide voice and broadband service to the locations in the ILECs' census blocks, the price for

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<sup>2</sup> A list of the census blocks are set out in Exhibit 4, attached.

<sup>3</sup> See, [www.onlinenw.com/internet-service/](http://www.onlinenw.com/internet-service/).

<sup>4</sup> The Affidavit of Ms. Tate was previously filed in response to Public Notice, *Wireline Competition Bureau Publication Preliminary Determination of Rate-of-Return Study Area 100 Percent Overlapped by Unsubsidized Competitors*, DA 15-868 (WC Docket No. 10-90) (rel. July 29, 2015). The Affidavit contains information relevant to this proceeding.

the service is not "reasonably comparable" to urban rates as required by the Commission. As stated in DA 16-378, at page 3, "Competing providers must meet [urban rate survey standards] for voice and broadband service in the relevant census blocks in order to be deemed an 'unsubsidized competitor.'"

As set out in both Exhibit 1 and Exhibit 2, paragraph 4, the price that McMinnville Access offers for its residential broadband service that has any chance of qualifying for the 10/1 standard is \$99.95 per month. That price is clearly outside the pricing guidelines established by the Commission for determining an unsubsidized competitor. See, DA 16-362 establishing a benchmark price of \$73.72 for 10/1 service with 250 GB of usage allowance. In addition, by using the Reasonable Comparability Benchmark Calculator tool set out in DA 16-362 and entering the maximum speeds listed by McMinnville Access and using their published capacity limit of 300 GB (see web page),<sup>5</sup> a maximum comparability rate of \$75.40 is produced. McMinnville Access' broadband service rate far exceeds that rate. In fact, McMinnville Access' broadband service rate is 33% higher than allowed.

Finally, as a fourth reason, in light of the fact that it does not serve any customers in any of the census blocks, McMinnville Access has modified its FCC Form 477 to remove the census blocks from its reported area of service. See, Exhibit 3.

In summary, there are four reasons McMinnville Access does not qualify as an unsubsidized competitor. First, McMinnville Access does not provide the necessary broadband speeds. Second, McMinnville Access does not, by its own words, provide sufficient coverage. Third, McMinnville Access' broadband pricing far exceeds the price comparability standard. Fourth, and critically, McMinnville Access has removed the census blocks from its FCC Form 477. For the Commission's convenience, the list of the census blocks is attached as Exhibit 4.

Based on this information, Gervais, Monitor, Mt. Angel and St. Paul respectfully request that the results for the final version of the A-CAM be adjusted to reflect that McMinnville Access does not qualify as an unsubsidized competitor.

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<sup>5</sup> Note this portion of the screen did not print in the screen shot found in Exhibit 1.

Marlene H. Dortch  
April 28, 2016  
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Thank you for your attention to this challenge.



RICHARD A. FINNIGAN

Attorney for Gervais Telephone Company, Mt.  
Angel Telephone Company, Monitor Cooperative  
Telephone Company and St. Paul Cooperative  
Telephone Association

RAF/cs  
Enclosures

cc: Clients (via e-mail)